

UTAH DISTRICT NEWSLETTER

March 9, 2009

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Save the Date:

How To Start A Business
3/2/2009 8am—4:30pm
225 South 700 East
St. George, UT

WBC-New Client Orientation
3/5/2009 4pm-5pm
Salt Lake Chamber
175 East 400 South Ste 600,
SLC, UT

Supply Chain Interactive
3/6/2009 12pm—5pm
SLCC, Miller Campus
9750 S 300 W BLDG MPDC
RM213 Sandy, UT

Small Business Start-Up
3/14/2009 10am—12pm
WSU Davis Campus, RM 114
2750 N Univ Park Dr
Layton, UT

WBC Celebrating Success
3/10/2009 3pm-5pm
Salt Lake County Complex
2001 S State St South Bldg
Rm 600, SLC, UT

Helping small businesses
start, grow and succeed.



Your Small Business Resource

SBA APPLAUDS STIMULUS BILL, PLANNING UNDERWAY FOR BROADEST, QUICKEST SMALL BUSINESS IMPACT

WASHINGTON – The American Recovery and Reinvestment Act contains a package of loan fee reductions, higher guarantees, new SBA programs, secondary market incentives, and enhancements to current SBA programs that will help unlock credit markets and begin economic recovery for the nation's small business sector.

"The tax incentives and credit stimulus elements of the Recovery Act will truly help small business owners affected by the credit crunch, and will provide financing opportunities to help them create new jobs in their communities," said Acting SBA Administrator Darryl K. Hairston.

"There's a lot to digest in the legislation, and SBA has established teams to tackle a wide variety of policy decisions, system modifications, regulatory changes, legal requirements, and new program launches authorized by the President and Congress," said Hairston.

The bill provides \$730 million to SBA and makes changes to the agency's lending and investment programs so that they can reach more small businesses that need help. The funding includes:

- \$375 million for temporary fee reductions or eliminations on SBA loans and increased SBA guaranteed shares, up to 90 percent for certain loans, \$255 million for a new loan program to help small businesses meet existing debt payments
- \$30 million for expanding SBA's Microloan program, enough to finance up to \$50 million in new lending and \$24 million in technical assistance grants to

microlenders

- \$20 million for technology systems to streamline SBA's lending and oversight processes
- \$15 million for expanding SBA's Surety Bond Guarantee program
- \$25 million for staffing up to meet demands for new programs
- \$10 million for the Office of Inspector General.

The bill also authorizes refinancing for certain SBA loans so borrowers can expand their businesses on favorable terms, and expands leverage capability for Small Business Investment Companies.

"We are going to be part of the solution, and this bill gives us specific tools to make it easier and less expensive for small businesses to get loans, give lenders new incentives to make more loans, and help restore healthy SBA secondary markets to boost liquidity," Hairston said, noting also that more details on implementation will be coming over the next few weeks.

The stimulus bill takes a comprehensive approach and attacks several problems facing small businesses at once by reducing fees, guaranteeing a greater share of certain loans, expanding capacity in the Microloan program, providing new loans to help small businesses keep their doors open through economic hardship, as well as new mechanisms to help unfreeze the secondary markets for SBA-backed loans.

Declines in SBA lending volume last year, which are continu-

ing in FY 2009, reflect problems in the broader credit markets, and present hurdles to small businesses that are seeking credit in the current economy. The financial crisis has created a variety of conditions that impact small businesses, including a lack of liquidity in the banking system, a reluctance of many lenders to extend new loans, tightened credit standards, weaker finances at small businesses, and uncertainty about taking on new debt on the part of many entrepreneurs.

The Recovery Act addresses small businesses' lending problems, and addresses key investment and contracting issues. The bill helps Small Business Investment Companies better leverage investment capital to reach more small companies. The bill also increases the current contract limit for SBA's Surety Bond Guarantee program, which will help small businesses compete for contracts.

90 Percent Guarantee

The bill allows SBA to raise its loan guarantee from the current levels to as much as 90 percent for some loans. At present, SBA can guarantee loans up to 85 percent on loans up to \$150,000, and up to 75 percent on loans greater than \$150,000. The 50 percent guarantee on SBA Express loans would remain unchanged. Increasing the SBA guarantee percentage will encourage lenders to extend more capital to small businesses by increasing the share covered by an SBA guarantee.

Business Stabilization

Loans The bill creates a new SBA loan program to provide deferred-payment loans of up to \$35,000 to viable small businesses that need the money to make payments on an

SAVE THE DATE CONTINUED

Business Essentials: Selecting Your Business Location
3/11/2009 8:30am-10am
Salt Lake County Complex
2001 S State St South Bldg
Rm 600, SLC, UT

Business Women's Forum
March Luncheon
3/17/2009 11:30am-1pm
The Tea Grotto 2030 S 900 E
Ste6
SLC, UT

SCORE—How To Start & Operate A New Business
3/18/2009
8:30am-4:30pm
Salt Lake County Complex
2001 S State St South Bldg
Rm 600, SLC, UT

WBC-New Client Orientation
3/19/2009 9am-10am
Salt Lake Chamber
175 East 400 South Ste 600,
SLC, UT

Introduction to Finance
3/21/2009 10am-12pm
WSU, Davis Campus
2750 N Univ Park Blvd
Layton, UT

8(a) WorkShop
3/24/2009 10 am—12 pm
Federal Building
125 S. State Street, Rm
2222
Salt Lake City, UT

2009 Utah Small Business Awards Luncheon
Joseph Smith Memorial Building
Monday, May 4, 2009
11:45am - 1:30pm



SBA APPLAUDS STIMULUS BILL, PLANNING UNDERWAY FOR BROADEST, QUICKEST SMALL BUSINESS IMPACT

existing, qualifying loan for up to six months. These loans will be 100 percent guaranteed by SBA. Repayment would not have to begin until 12 months after the loan is fully disbursed. The bill provides \$255 million for this new program. These loans will help ensure that small businesses have time to re-focus their business plans in order to succeed in the long run.

Microloans

The bill expands SBA's Microloan program, which provides small loans (up to \$35,000) paired with technical assistance to start-up, newly established or growing small businesses. The bill provides funding to increase loans from SBA to participating Microlenders by \$50 million through September 30, 2010, and adds \$24 million in grants to provide technical assistance to borrowers. Historically, these loans reach

low-income individuals, women and minorities in both rural and urban areas. Expanding this program through the stimulus bill will help ensure these entrepreneurs are not left behind in the credit crunch.

Refinancing

The bill also gives SBA the power to use the 504 Certified Development Company program to refinance existing loans for fixed assets, providing fresh support for

small business expansion. This change will help business owners expand their current development projects and create jobs in their communities.

Secondary Market Expansion

The bill authorizes SBA to establish a secondary market for pools of "first lien" loans under the 504 program. These "first lien" loans from commercial lenders currently have no SBA guarantee. The bill authorizes SBA to deploy federal guarantees for pools of these first lien loans, so that they can be sold to investors in a secondary market. Providing liquidity for these first mortgages will help encourage lenders to continue participating in SBA's 504 loan program, which provides a key source of capital for community development and other projects.

The bill also empowers SBA to set up a Secondary Market Lending Authority that would make direct loans to broker-dealers that participate in the secondary market for SBA-guaranteed 7(a) loans. These broker-dealers would use the funds to purchase SBA-backed loans from commercial lenders, assemble them into pools and sell them to investors in the secondary loan market. This program may help address some of the issues facing the secondary market for SBA loans and may ultimately help SBA lenders make

new loans to borrowers.

Investment Program

The bill helps SBA-licensed Small Business Investment Companies (SBICs) and families of SBIC funds better leverage the capital they use to invest in small businesses. The bill sets maximum levels of funding the agency can provide to these companies at up to three times the private capital raised by those companies, or \$150 million, whichever is less. It also raises the percentage any one SBIC can invest in a single small business to 10 percent of total capital, and raises from 20 percent to 25 percent the percentage of any licensee's dollar investments that must be made in "smaller" businesses.

Surety Bonds

The bill also raises the maximum contract amount that can be covered by an SBA guaranteed surety bond from \$2 million to \$5 million, and, under certain circumstances, for contracts amounting to \$10 million, and provides additional funds to cover the costs of expanding this program. Small businesses need surety bonds in order to bid on and obtain many federal and other contracts. SBA guarantees surety bonds to small businesses that private surety companies would not otherwise be able to extend.



WOMEN'S BUSINESS CENTER

The Women's Business Center program has been an important part of the U. S. Small Business Administration's (SBA) entrepreneurial development assistance efforts since its establishment in 1989, after the passage of the Women's Business Ownership Act of 1988.

For more than 10 years the Salt Lake Chamber's Women's Business Center has been proud to serve over 4000 participants with counseling and more than 10,000 for

networking and mentoring programs.

The mission of the Business Center is to provide entrepreneurs and small business owners, with a focus on women, the critical skills, knowledge, tools and support network to increase their success and positively impact the economic development in our communities.

The vision of the Salt Lake Chamber's Women's Busi-

ness Center is to be recognized as a principal in women's entrepreneurship whose purpose is to accelerate the success of women business owners and women in business. It seeks to create economic opportunities for women through entrepreneurship and to help all women realize their greatest potential.

Contact Lavanya Mahate 801-328-5066 or Heather Fountaine 801-328-5048 for further information.

LAVANYA MAHATE—PROGRAM DIRECTOR OF WOMEN'S BUSINESS CENTER



Lavanya Mahate is the Program Director of the Women's Business Center at the Salt Lake Chamber. At the Women's Business Center, Lavanya leads initiatives to improve the quality and comprehensiveness of the services available for women starting a business. Lavanya's

passion is to facilitate the exchange and sharing of strategies and knowledge between policy makers, corporations, financial institutions, media, educators and women business owners to help expand entrepreneurial opportunities for women. Lavanya also serves as the President-Elect on the Board of Utah Asian Chamber of Commerce and volunteers at the India Cultural Center in organizing Indian cultural events. Lavanya holds a master's degree in Mass Communication with a spe-

cialization in Public Relations and Corporate Communications from Symbiosis University in Pune, India and a post-graduate certificate in Integrated Marketing Communications from the University of Utah. Lavanya has a passion for traveling and cooking. She loves watching Food Network in her leisure time.



Lavanya Mahate

MARCH—NATIONAL WOMEN'S HISTORY MONTH

March is annually designated as National Women's History Month to ensure that the American women will be recognized & celebrated in schools, workplaces, & communities throughout the country. The 2009 theme for National Women's History Month is: Women Taking the Lead to Save our Planet. We encourage you to support and attend events that allow you to learn, celebrate and recognize how women have enriched our culture and have strengthened and continue to strengthen our Nation.

SBA WARNS OF FRAUDULENT ATTEMPTS TO OBTAIN BANK ACCOUNT INFORMATION FROM SMALL BUSINESSES

WASHINGTON – The U.S. Small Business Administration issued a scam alert today to small businesses, warning them not to respond to letters falsely claiming to have been sent by the SBA asking for bank account information in order to qualify them for federal tax rebates.

The fraudulent letters were sent out with what appears to be an SBA letterhead to small businesses across the country, advising recipients that they may be eligible for a tax rebate under the Economic Stimulus Act, and that SBA is assessing their eligibility for such a rebate. The letter asks the small business to provide the name of its bank and account number.

These letters have not been sent by or authorized by the SBA, and all small businesses are strongly advised not to respond to them.

The scheme is similar in many ways to e-mail scams often referred to as "phishing" that seek personal data and financial account information that enables another party to access and individual's bank accounts or to engage in identity theft.

The SBA is working with the SBA Office of Inspector General to investigate this matter. The Office of Inspector General asks that anyone who receives such a letter report it to the OIG Fraud Line at 1 (800) 767-0385, or e-mail at OIGHotline@sba.gov.

EMPLOYEE SPOTLIGHT-MELINDA WORKMAN

Melinda Workman joined the Utah District Office Small Business Administration Team in 1994 after working 8 years for the Internal Revenue Service. She served as the Administrative Officer for 13 years enjoying the multi-faceted experiences it offered. An opportunity to be a Business Development Specialist and be the Women's Business Opportunity Representative (WBOR) arrived and she was ready for a new experience. Working with the Women Business Center and the various women's organizations is definitely a highlight in her career. "Women bring a unique synergy in every aspect of the business arena

and it is exciting to be a part of it." She also enjoys making "new friends" and seeing the "old friends" from her previous career in the lending community. Coming up on 23 years of Government Service this year, she jokes "she will be the last one here to turn out the lights when everyone else retires!"

Her enthusiasm for working in women's organizations carries forward in her personal life as well. She is currently working with the young women's program (ages 13-18 years old) in her church. "I enjoy watching first hand the next generation of leaders and women entrepreneurs in the making!"

Her family is her pride and joy! Her eldest son Justin (Green) has followed in his father's footsteps by graduating with a degree in Business Finance and working in the finance industry. He and his wife Kristie, an Exercise Specialist, are still enjoying newlywed bliss! Daughter Annie and second son, Justin, are both working on their Associate Degrees. The "caboose" eight year old Hunter, keeps her and husband Gary (a Stone Mason by trade) young with his involvement in school, cub scouts, baseball, basketball and the favorite family sport...football!!!

Loans to Women:

| FY | Agency | Utah |
|------|--------|------|
| 2008 | 17,749 | 428 |



Melinda Workman

| LENDER | February Loan Numbers | February Total Dollars | YTD Loan Numbers | YTD Dollars |
|--|--------------------------|---------------------------|---------------------|--------------|
| AMERICA FIRST FCU | 6 | \$200,000 | 33 | \$1,067,000 |
| AMERICA WEST BANK | 0 | 0 | 2 | \$2,367,300 |
| AMERICAN BANK OF COMMERCE D/B/A AMBANK | 0 | 0 | 0 | 0 |
| AMERICANWEST BANK | 0 | 0 | 11 | \$2,141,000 |
| BANCO POPULAR NORTH AMERICA | 0 | 0 | 8 | \$2,795,100 |
| BANK OF AMERICA, NATIONAL ASSOCIATION | 0 | 0 | 0 | 0 |
| BANK OF AMERICAN FORK | 1 | \$770,000 | 6 | \$1,532,500 |
| BANK OF THE WEST | 0 | 0 | 1 | \$335,000 |
| BANK OF UTAH | 2 | \$1,077,900 | 7 | \$1,655,900 |
| BARNES BANKING COMPANY | 0 | 0 | 1 | \$500,000 |
| BEACH BUSINESS BANK | 0 | 0 | 1 | \$975,000 |
| BEEHIVE CU | 3 | \$65,000 | 14 | \$478,000 |
| BRIGHTON BANK | 0 | 0 | 2 | \$205,000 |
| CACHE VALLEY BANK | 0 | 0 | 0 | 0 |
| CAPITAL COMMUNITY BANK | 0 | 0 | 0 | 0 |
| CAPITAL ONE BANK (USA), NATIONAL ASSOCIATION | 0 | 0 | 0 | 0 |
| CAPITAL ONE, NATIONAL ASSOCIATION | 0 | 0 | 0 | 0 |
| CELTIC BANK CORPORATION | 2 | \$1,165,000 | 29 | \$11,141,600 |
| CENTRAL BANK | 0 | 0 | 3 | \$265,100 |
| CIT SMALL BUSINESS LENDING CORPORATION | 0 | 0 | 0 | 0 |
| COMERICA BANK | 0 | 0 | 0 | 0 |
| COMMUNITY WEST BANK | 1 | \$375,000 | 1 | \$375,000 |
| COMPASS BANK | 0 | 0 | 2 | \$1,122,000 |
| CONTINENTAL BANK | 0 | 0 | 0 | 0 |
| CYPRUS FCU | 3 | \$160,000 | 8 | \$340,000 |
| DESERET FIRST FCU | 3 | \$257,800 | 19 | \$775,700 |
| FIRST COMMUNITY BANK | 0 | 0 | 0 | 0 |
| FIRST UTAH BANK | 0 | 0 | 1 | \$70,000 |
| FRONTIER BANK, FSB | 3 | \$600,000 | 6 | \$815,000 |
| GOLDENWEST FCU | 0 | 0 | 12 | \$415,000 |
| GRAND VALLEY BANK | 1 | \$115,100 | 1 | \$115,100 |
| GRANITE FCU | 1 | \$30,000 | 3 | \$110,000 |
| HERITAGEWEST FCU | 3 | \$75,000 | 14 | \$595,000 |
| HORIZON UTAH FCU D/B/A HORIZON CU | 0 | 0 | 4 | \$90,000 |
| INNOVATIVE BANK | 0 | 0 | 0 | 0 |
| IRWIN UNION BANK AND TRUST COMPANY | 0 | 0 | 0 | 0 |
| JORDAN FCU | 7 | \$235,000 | 16 | \$550,200 |
| JPMORGAN CHASE BANK, NATIONAL ASSOCIATION | 1 | \$25,0000 | 2 | \$72,200 |
| KEYBANK NATIONAL ASSOCIATION | 1 | \$30,000 | 8 | \$1,507,600 |
| LEHMAN BROTHERS BANK, FSB | 0 | 0 | 0 | 0 |
| MOUNTAIN AMERICA FCU | 43 | \$1,267,200 | 258 | \$10,460,100 |
| MOUNTAIN WEST BANK | 0 | 0 | 1 | \$207,000 |
| MOUNTAIN WEST SMALL BUSINESS FINANCE | 10 | \$5,038,000 | 46 | \$19,607,000 |
| NEVADA STATE BANK | 1 | \$1,272,000 | 1 | \$1,272,000 |
| PNC BANK, NATIONAL ASSOCIATION | 0 | 0 | 0 | 0 |
| PRIME ALLIANCE BANK | 0 | 0 | 0 | 0 |
| SAEHAN BANK | 0 | 0 | 0 | 0 |
| SOUTHWEST COMMUNITY FCU | 1 | \$25,000 | 2 | \$35,000 |
| STATE BANK OF SOUTHERN UTAH | 0 | 0 | 4 | \$545,700 |
| SUNFIRST BANK | 0 | 0 | 0 | 0 |
| SUPERIOR FINANCIAL GROUP, LLC | 0 | 0 | 3 | \$37,500 |
| TEMECULA VALLEY BANK | 0 | 0 | 1 | \$610,000 |
| THE FIRST NATIONAL BANK OF LAYTON | 0 | 0 | 3 | \$643,000 |
| THE HUNTINGTON NATIONAL BANK | 0 | 0 | 2 | \$522,000 |
| THE VILLAGE BANK | 0 | 0 | 0 | 0 |
| | | | | |

| LENDER | February Loan Numbers | February Total Dollars | YTD Loan Numbers | YTD Dollars |
|--|--------------------------|---------------------------|------------------|---------------|
| U.S. BANK NATIONAL ASSOCIATION | 0 | 0 | 17 | \$2,295,000 |
| UNITED MIDWEST SAVINGS BANK | 0 | 0 | 0 | 0 |
| UNITED WESTERN BANK | 0 | 0 | 0 | 0 |
| UNIVERSITY OF UTAH FCU | 1 | \$100,000 | 2 | \$500,000 |
| UPS CAPITAL BUSINESS CREDIT | 0 | 0 | 0 | 0 |
| USU CHARTER FCU | 0 | 0 | 0 | 0 |
| UTAH CENTRAL CREDIT UNION | 0 | 0 | 2 | \$100,000 |
| UTAH CERTIFIED DEVELOPMENT COMPANY | 5 | \$2,833,000 | 33 | \$18,556,000 |
| UTAH COMMUNITY FEDERAL CREDIT UNION | 0 | 0 | 0 | 0 |
| UTAH FIRST FCU | 1 | \$35,000 | 7 | \$295,000 |
| VECTRA BANK COLORADO, N.A. | 0 | 0 | 1 | \$75,000 |
| WACHOVIA SBA LENDING, INC. | 0 | 0 | 0 | 0 |
| WASHINGTON MUTUAL BANK | 0 | 0 | 0 | 0 |
| WEBBANK | 0 | 0 | 0 | 0 |
| WELLS FARGO BANK, NATIONAL ASSOCIATION | 2 | \$643,700 | 21 | \$6,090,500 |
| ZIONS FIRST NATIONAL BANK | 46 | \$3,064,100 | 263 | \$15,787,500 |
| TOTALS | 148 | \$19,458,800 | 883 | \$110,049,600 |